

NORTH YORKSHIRE COUNTY COUNCIL

19 DECEMBER 2007

REPORT OF THE INDEPENDENT PANEL ON MEMBERS REMUNERATION

1.0 PURPOSE OF PAPER

- 1.1 To bring to the attention of the County Council the report of the Independent Panel on Members Remuneration.

2.0 BACKGROUND

- 2.1 The report of the Independent Panel on Members Remuneration is attached as **Appendix A** for consideration by the County Council.
- 2.2 The County Council needs to consider the report and its recommendations and decide whether it wishes to amend its allowance scheme.
- 2.3 If the County Council adopts the amendments proposed to the scheme then it must ensure that copies of the scheme are available for inspection by the public. In addition the Council must publish in one or more newspapers circulating in their area a notice which states that the Council has made/amended the Allowances Scheme and specify the period of time for which the Scheme has effect. It must also describe, amongst other things, the main features of the Scheme, specify the amounts of each allowance, state that the Council has had regard to the recommendations of the Independent Remuneration Panel and describe the main features of the Panel's recommendations.

3.0 ISSUES AND DISCUSSION

- 3.1 In making its recommendations, the Panel considered the allowances that are paid in the context of the performance and improvement achieved by the County Council, and the overall financial climate.
- 3.2 The County Council must approve a Scheme of Allowances before the start of the financial year. The proposed scheme is at **Appendix B**.

4.0 **RESOURCE CONSIDERATIONS**

4.1 **Appendix C** to the Panel's report shows the expenditure on basic and special responsibility allowances.

5.0 **CONSULTATION AND COMMUNICATION**

5.1 A notice publicising the Panel's recommendations has been placed on the County Council's website and a copy of the Report will be available for public inspection at County Hall.

6.0 **RECOMMENDATION**

6.1 That the County Council approve a scheme of allowances for 2008/09.

JOHN MARSDEN
Chief Executive

County Hall
Northallerton

**INDEPENDENT PANEL ON THE REMUNERATION OF MEMBERS OF
NORTH YORKSHIRE COUNTY COUNCIL**

**REPORT OF THE INDEPENDENT PANEL ON THE REMUNERATION
OF MEMBERS OF NORTH YORKSHIRE COUNTY COUNCIL**

7 November 2007

1.0 Introduction

1.1 The Independent Panel was reconstituted in December 2002. Our composition is as follows:-

Mr Clive Leach CBE	- Chairman of Yorkshire Enterprise, West Yorkshire Learning and Skills Council and Yorkshire Cultural Consortium. Deputy Chairman of the Regional Assembly for Yorkshire and the Humber (Chairman of Independent Panel on the Remuneration of Members of NYCC)
Ms Alison Seabrooke	- Chief Executive Community Development Foundation; founder and former CEO Regen Centre, Riccall (seconded to Home Office and Department for Education and Skills 2005); freelance regeneration writer
Ms Candida Kirby	- Senior Social Research Interviewer, freelance writer and former County, District and Parish Councillor
Mr David Kirby	- Accountant, Company Director, Vice Chair South Tees NHS Trust and former local government officer.

1.2 Our Terms of Reference were as follows:-

- (i) To consider issues relating to Members' remuneration and expenses
- (ii) To consider representations; and
- (iii) To make recommendations and provide advice to the County Council.

2.0 Background

2.1 Following the recommendations of the Panel on 13 July 2000, the County Council introduced a new scheme of allowances on 1 September 2000 involving a basic allowance together with a number of special responsibility allowances. Since that date the Panel has made a number of reports to the County Council, the most recent being on 20 December 2006 making recommendations for the 2007/08 financial year.

3.0 Methodology

3.1 The Panel has met once to consider its recommendations for the 2008/09 financial year.

3.2 At this meeting we considered background papers on issues relating to:

- Introductory principles to the scheme
- Overview of NYCC Performance
- Ethics/Standards
- Members' Attendance
- Basic and Special Responsibility Allowances
- Travel and Subsistence Allowances

4.0 Principles

4.1 When making our previous recommendations the Panel considered that certain key principles should underpin a system of remuneration and we wish to reiterate these:

- (1) It is important to encourage individuals to be involved in the work of the Council. People of all backgrounds and ages should feel attracted to become Councillors if they so wish, and at the very least the allowance structure should put no barriers in their way.
- (2) The work of a County Councillor requires commitment and - if the role is to be carried out well - a significant investment of time. Councillors have a wide ranging role varying from local issues to the national scene. It is the Government's intention that this should be reasonably and properly remunerated.
- (3) However, the Panel do not wish to see the Public Service ethos lost from our County Council. A balance has to be struck between paying 'a rate for the job' and recognising the significant public service element that is rightfully a strong feature of our system of local government.
- (4) The cost of any scheme must give value for money.
- (5) Any system must be easily understood, transparent and ensure accountability to the electorate.
- (6) Allowances should take account not only Members' representative role but also include an expectation that Members will attend appropriate meetings including the County Council and its committees.

4.2 When making our recommendations previously we considered that the most appropriate way to recognise the differing levels of responsibility amongst Members was to base allowances on units of responsibility - the greater the level of responsibility the more units the particular function would attract. We still consider that a system of unitisation is both clear and enables the relative weighting of different functions to be easily recognised. The value of a single unit is currently set at £1,464 in the 2007/08 financial year.

5. **Overview of NYCC Performance and Update on Ethics / Standards**

Members of the Panel received two update reports. The Panel considered that the evidence provided via the Audit Commission and other bodies of high performance levels with continuing improvement was useful context for their discussions. The statement regarding ethics and standards provided the Panel with reassurance on the conduct and governance of the County Council and its members and were positive about the profile this agenda was being given.

6. **Members Attendance**

The Panel were satisfied that the attendance data provided showed the level of attendance they would have expected and they noted that this was still an improvement from the position from 3 years ago. However, in terms of good governance they did want to focus on seeking to improve the level of attendance at Scrutiny Committees, although it was noted that there could be individual factors influencing the level of attendance at individual Scrutiny Committees.

Members of the Panel considered that the induction process for new members was critical in setting and defining the key expectations of members of the Council.

The Panel were keen to suggest that priority should be assigned to the training of members.

7.0 **Basic Allowance**

7.1 In relation to the Basic Allowance, the Panel received information about the level of both the pay award for 2007/08 (which has just reached settlement) and the projected level of the pay award for 2008/09. In addition, they were mindful of the benchmarking data provided regarding other authorities in the Yorkshire and Humberside region and comparator upper tier authorities. Whilst not wanting to simply assign a level of basic allowance based solely upon other authorities, they were mindful of the fact that the performance and standards data did give them the reassurance that the role was being appropriately conducted within North Yorkshire. Consequently the proposal from the Panel was for a 2.9% increase in the basic allowance for 2008/09 reflecting their best assessment of an inflationary increase which recognises the 2.5% projected pay award for 2008/09, and the varying level across pay bands of the pay increase for 2007/08 (which ranges from 2.475% to 3.4% dependent on the salary band of staff).

7.2 Members also considered the issue of including Parish Council attendance as an addition to the scheduled of approved duties. The conclusion of the Panel was that attendance at Parish Councils played a vital role in terms of community engagement, and that the circumstances in North Yorkshire were such that for some individual members in North Yorkshire this could be a significant burden. Consequently the Panel recommend to the County Council that attendance at a Parish Council meeting on County Council business should form part of the approved duties list. The implication of this would be that travel expenses would become payable for attendance at these meetings. No other amendments were proposed to the approved duties list.

8.0 Special Responsibility Allowances

8.1 The Panel reviewed the level of Special Responsibility Allowances, the level of special responsibility allowances were considered in the context of:-

- (a) the current value of our Special Responsibility Allowances amount to 28.9% of the total value of Member Allowances which is relatively low in comparison to other authorities. This was considered to be a good benchmark for us as an authority.
- (b) Whilst it was recognised that currently slightly more than half of the members of the County Council receive a basic allowance, it was considered that in an authority with the geographical and functional demands of North Yorkshire, the target of only half of the members or less receiving a Special Responsibility Allowance is very demanding.

8.2 One area where the Panel specifically thought there was justification on the basis of the evidence presented was the introduction of a Special Responsibility Allowance for the role of Member Champions. This was in the light of the detail provided in the report to the Panel about consideration being given by the County Council Executive to the role and remit of Champions, and the working assumption that the authority would operate with two Member Champions – specifically a champion for Young Persons and a champion for Older Persons.

8.3 On this basis, the Panel considered that:

- (i) remuneration in the form of an SRA was appropriate for the two defined Member Champions, and
- (ii) a value of 3 units was appropriate remuneration.

8.4 Aside from the above issue, it was proposed that all other special responsibility allowances were uplifted by 2.9% in accordance with the basic unitisation model (reflecting the consideration of Basic Allowance rates).

9.0 Travel and Subsistence Allowances

9.1 The context for this item was that changes had occurred to the officers scheme which impacted upon the mileage rates. The Chief Executive outlined that there were some aspects of the officer scheme that he felt needed to be kept under review and the Panel accepted that there may be minor amendments to the officers scheme which needed to be reflected into the Members scheme, and where content to permit the Chief Executive to make such changes and report back to the Panel.

9.2 In terms of the issue of the mileage rates, the Panel agreed that it was appropriate that the process of coming together of the mileage rates should continue and so the upper mileage rate should be frozen at 48.5p for 2008/09. However, it was noted that following the revision to the officers scheme, there is now an anomaly that the mileage rate applicable to mileages in excess of 8,500 miles is now at a higher rate for officers than members. Mindful of the discussion around Parish Council attendance and those Members who need to undertake high mileages to conduct their business, the Panel was supportive of securing equalisation of these rates.

Clive W Leach CBE
Chairman

Members' Allowances Scheme

In exercise of the powers conferred by Local Authorities (Members' Allowances) (England) Regulations 2003, the County Council has made the following scheme for the payment of allowances.

The scheme will be reviewed from time to time by an independent review panel in accordance with the relevant Regulations.

1. This scheme may be cited as the North Yorkshire County Council Members' Allowances Scheme, and shall have effect from **1 April 2008**.
2. In this scheme
 - “councillor” means an elected member of the North Yorkshire County Council;
 - “year” means the 12 months ending with 31 March.

Basic Allowance

3. Subject to paragraph 10, for each year a basic allowance of **£8,772** shall be paid to each councillor.

Special Responsibility Allowances

4. (a) For each year a special responsibility allowance shall be paid to those councillors who hold the special responsibilities in relation to the authority that are specified in paragraph 1 of schedule 1 to this scheme.
- (b) Subject to paragraph 10, the amount of each allowance shall be the amount specified against that special responsibility in that schedule.

Childcare and Dependant Carers' Allowance

5. (a) A childcare and dependant carers' allowance shall be paid to all members of the Council in respect of costs necessarily incurred by them in making arrangements for the care of children (under 14) or other dependant relatives (requiring care because of age and/or disability) to enable them to perform an approved duty (other relatives include parents, partners, siblings and others agreed by the Chief Executive Officer).
- (b) For childcare, the allowance payable will be the lower of actual expenditure and the national minimum wage.
- (c) For care for others, the allowance will be the lower of actual expenditure and the cost of home care by NYCC Social Services.
- (d) All claims for childcare should be accompanied by a statement signed by both the Councillor and carer certifying that the childcare has been provided, that the expenditure has been incurred and that the carer does not live in the same household as the Councillor. If the childcare is provided by a professional carer then a receipted invoice is required.
- (e) All claims for elderly and/or disabled dependant relatives care should be supported by a receipted invoice. It is expected that this care will be provided by professional carers.

6. Travel and Subsistence Allowance

The following allowances shall be payable under the scheme in respect of travel and subsistence.

Travelling Allowance

(a) Public Transport

All rail travel is made in standard class accommodation and claimed at the most economical reasonable rate dependant on the rail company's prevailing ticket policy. However, with the approval of the Leader of the Council, Members are able to claim for first class rail journeys where this is appropriate.

Air travel at standard rate may also be claimed with the approval of the Leader of the Council where this is appropriate.

(b) Travel by Member's own private vehicle

The rate for travel by member's own private vehicle shall not exceed:-

for a motor or tri car of cylinder capacity:-

not exceeding 999 cc	To match Officer's rate
exceeding 999 cc but not exceeding 1199 cc	To match Officer's rate
exceeding 1199 cc	48.5p per mile

for a motor cycle:-

Engine Capacity	0 to 1500 miles	1501 to 5500 miles	5501 to 11000 miles	11001 to 99999 miles
0 - 49 cc	To match Officers' rates	To match Officers' rates	To match Officers' rates	To match Officers' rates
50 - 125 cc	To match Officers' rates	To match Officers' rates	To match Officers' rates	To match Officers' rates
126 – 250 cc	To match Officers' rates	To match Officers' rates	To match Officers' rates	To match Officers' rates
over 250 cc	To match Officers' rates	To match Officers' rates	To match Officers' rates	To match Officers' rates

(c) Carriage of passengers to whom a travelling allowance would otherwise be payable

In respect of each passenger not exceeding four, an additional 3.0p per mile for the first passenger and 2.0p per mile for the second and subsequent passengers can be claimed.

- (d) The rate specified above may be increased by not more than the amount of any expenditure incurred on tolls, ferries or parking fees. Wherever possible receipts should be submitted.
- (e) Travel by bicycle may also be reimbursed at the rate of 16.0p per mile or £1.00 per week for a regular user.

Subsistence Allowance

- (a) For an absence not involving an absence overnight from the usual place of residence, the maximum subsistence rates for Members operate on a meals basis, as for the officers, but with clarification of eligibility based on the time of day the meal is taken, and time away from home, as follows:-

(i)	Breakfast allowance (more than 4 hours away from normal place of residence, before 11 am)	Officer's rate
(ii)	Lunch allowance (more than 4 hours away from normal place of residence, including between 12 noon and 2 pm)	Officer's rate
(iii)	Tea (more than 4 hours away from normal place of residence, ending after 6:30 pm)	Officer's rate
(iii)	Evening meal allowance (more than 4 hours away from the normal place of residence, ending after 7 pm)	£12.00

- (b) In the case of an absence overnight from the usual place of residence, **£82.00**, this rate to cover a continuous period of absence of 24 hours. For an absence overnight in London or for the purpose of attendance at an annual conference (including or not including an annual meeting) of the Local Government Association or such other association of bodies as the Secretary of State may for the time being approve for the purpose, **£97.00**.
- (c) Subsistence allowances are limited to the reimbursement of actual expenditure, for which receipts are required, subject to the maximum rates set out in this scheme. Where any meal is provided free of charge by an authority or body in respect of the meal or the period to which the allowance relates no further allowance should then be claimed.

Meals on Trains

When main meals (ie a full breakfast, lunch or dinner) are taken on trains during a period for which there is an entitlement to daytime subsistence, the reasonable cost of the meals (including VAT) may be reimbursed in full, within the limits specified below. In such circumstances, reimbursement for the reasonable cost of a meal would replace the entitlement to the day subsistence allowance for the appropriate meal period.

The limitations on reimbursements are:

- (a) for Breakfast, an absence of more than 4 hours before 11 am;
- (b) for Lunch, an absence of more than 4 hours before 12 noon and 2 pm;
- (c) for Tea, an absence of more than 4 hours ending after 6:30 pm;

- (d) for Dinner, an absence of more than 4 hours ending after 7 pm.

General Provisions

All claims shall only be payable if received within three months of the date of the entitlement arising.

7. Co-optees Allowance

For each year a co-optees allowance will be paid to the Chairman of the Standards Committee in accordance with paragraph 2 of Schedule 1.

Travelling Allowance

Co-optees are entitled to claim travelling allowance in the same way as Members of the Council. **“Co-optee” is defined as a person who is not an elected member of the County Council, but who has been appointed to serve on one or more of the County Council Committees.**

8. Pensions

A councillor, subject to scheme eligibility criteria, may participate in the Local Government Pension Scheme if they wish. The councillor should give notice in writing to the Corporate Director – Financial Services that they wish to participate. Pension contributions would then be payable on basic and special responsibility allowances that the councillor is entitled to and they would receive benefits in line with the regulations of the Local Government Pension Scheme for a councillor member.

9. Renunciation

A councillor may by notice in writing given to the Corporate Director - Financial Services elect to forego any part of his entitlement to an allowance under this scheme.

10. Part-year Entitlements

- (a) The provisions of this paragraph shall have effect to regulate the entitlements of a councillor to basic and special responsibility allowances where, in the course of a year, this scheme is amended or that councillor becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.
- (b) Where a councillor does not hold office as such throughout a year, or the scheme is amended to change entitlement to basic allowance during a year, the basic allowance to which the councillor is entitled shall be treated as calculated on a daily basis, so that the entitlement shall be to the aggregate of the daily entitlements for each day on which the councillor holds office.
- (c) Where a councillor who receives a special responsibility allowance does not have the special responsibilities in question throughout a year, or this scheme is amended in a way which changes his or her entitlement to a special responsibility allowance during a year, the special responsibility allowance to which the councillor is entitled shall be treated as calculated on a daily basis, so that the entitlement shall be to the aggregate of the daily entitlements for each day on which the councillor has the special responsibilities.
- (d) A daily entitlement to basic allowance or special responsibility allowance is the annual amount of that allowance as it applies on the day in question, divided by the number of days in the year.

- (e) The Corporate Director - Financial Services is authorised to automatically adjust the special responsibility allowances to reflect changes in the numerical strength of the Political groups. In these circumstances any such changes will take effect from the beginning of the month after which such a change has taken place.

11. Claims and Payments

Payments shall be made in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme on the last working day of each month. Payments shall be made in respect of childcare and dependant carers' allowances on the last working day of the month in respect of claims received up to the day 14 days prior to that date.

12. Attendance by Councillors

- (a) Individual councillors are expected to attend meetings of the Executive/Committees to which they are appointed. Periodic reports of attendance level will be made to the Standards Committee.
- (b) Individual councillors' attendance will be published annually.

SCHEDULE 1

1. The following are specified as the special responsibilities in respect of which special responsibility allowances are payable, and the amounts of those allowances:

Post	<i>Allowance Per annum per Member £</i>
Chairman of the County Council	9,036
Vice Chairman of the County Council	3,012
Leader of the County Council	24,096
Deputy Leader of the Council	15,060
Other Executive Members (6):	13,554
Chairman of Health Overview and Scrutiny Committee	9,036
Chairmen of Overview and Scrutiny Committees (8):	4,518
Vice-Chairmen of Overview and Scrutiny Committees (9):	1,506
Chairmen of Area Committees (7):	3,012
Chairman of Planning and Regulatory Functions Committee	3,012
Chairman of the Appeals Committee	3,012
Chairman of Pensions Committee	4,518
Chairman of Scrutiny Board	1,506
Chairman of Audit Committee	3,012
Champions (2)	4,518
Leaders of Political Groups:	
Where group is second party in terms of group membership	4,518
Other parties, where group has over 10% of all Members	2,259
Secretaries of Political Groups	
Where group is first party in terms of group membership	2,259
Where group is second party in terms of group membership	1,506
Other parties, where group has over 10% of all Members	753

2. The following is specified as the co-optee allowance payable, and the amount of that allowance:

Chairman of the Standards Committee	3,012
Independent Member of Standards Committee	753

These allowances are payable in addition to the basic allowance.

Recommended 2008/09 Allowances

POST	Number Of Members:	NO OF UNITS	CURRENT ALLOWANCE	RECOMMENDED ALLOWANCE 2008/09	CASH INCREASE	
			Per Annum (£)	Per Annum (£)	Per Annum (£)	
Unit	72	5.5	1464	1506		
ICT Allowance element			8052	8283		
Basic Allowance			474	489		
Number of Members			8526	8772		
			613872	631584	17712	2.9%
Chairman of the County Council	1	6	8784	9036	252	2.9%
Vice Chairman of the County Council	1	2	2928	3012	84	2.9%
Leader of the County Council	1	16	23424	24096	672	2.9%
Executive Members						
Deputy Leader	1	10	14640	15060	420	2.9%
Executive Members	6	9	13176	13554	378	2.9%
TOTAL			93696	96384	2688	2.9%
Chairman of Scrutiny Committees	8	3	4392	4518	126	2.9%
Chairman Of Health Scrutiny Committee	1	6	8784	9036	252	2.9%
TOTAL			43920	45180	1260	2.9%
Vice-Chairman of Scrutiny Committees	9	1	1464	1506	42	2.9%
TOTAL			13176	13554	378	2.9%
Chairman of Area Committees	7	2	2928	3012	84	2.9%
TOTAL			20496	21084	588	2.9%
Chairman of Planning and Regulatory Functions Committee	1	2	2928	3012	84	2.9%
Chairman of Appeals Committee	1	2	2928	3012	84	2.9%
Chairman of Pensions Committee	1	3	4392	4518	126	2.9%
Chairman of Scrutiny Board	1	1	1464	1506	42	2.9%
Chairman of Audit Committee	1	2	2928	3012	84	2.9%
Chairman of Standards Committee (Co-opted)	1	2	2928	3012	84	2.9%
Independent Members of the Standards Committee	2	0.5	1428	1506	78	5.5%
<u>Leaders of Political Groups</u>						
Second largest group membership (Liberal Democrats)	1	3	4392	4518	126	2.9%
Third largest group membership (Labour)	1	1.5	2196	2259	63	2.9%
<u>Secretaries of Political Groups</u>						
Largest Group Membership (Conservatives)	1	1.5	2196	2259	63	2.9%
Second largest group membership (Liberal Democrats)	1	1	1464	1506	42	2.9%
Third largest group membership (Labour)	1	0.5	732	753	21	2.9%
<u>Champions</u>						
To be determined	1	3	0	4518	4518	100.0%
To be determined	1	3	0	4518	4518	100.0%
Total Special Responsibility Allowances			236,400	252,255	15,855	6.7%
Total Basic Allowances			613,872	631,584	17,712	2.9%
Total Mileage and Subsistence (estimated)			140,366	154,366	14,000	10.0%
National Insurance Costs			55,268	57,450	2,182	3.9%
Total Costs			1,045,906	1,095,655	49,749	4.8%

These allowances are paid in addition to the basic allowance.
All allowances have been rounded to a multiple of 3 so that the monthly payments are equal.